

Message Text

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PAGE 01 BUENOS 07072 252236Z

64

ACTION EB-11

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SUBJECT: ARGENTINE GOVERNMENT SOLICITS FOREIGN CAPITAL FOR FISHING
INDUSTRY

REF: BA A-165, BA A-16

1. ON SEP 5, THE DIRECCION NACIONAL DE INDUSTRIA OF THE GOA
(AVENIDA JULIO A. ROCA 651, 1ER PISO, BUENOS AIRES) ANNOUNCED IT
WOULD ACCEPT OFFERS FOR PARTICIPATION IN THE FORMATION OF A
MIXED CAPITAL COMMERCIAL FISHING COMPANY FOR THE PURPOSE OF
EXPLOITING ARGENTINE FISHERIES RESOURCES. THE BID DEADLINE IS
OCT 5 AT 1800 HOURS.

2. THE AMOUNT OF CAPITAL BEING SOUGHT IS NOT SPECIFIED, BUT IT
APPEARS THAT THE PARTICIPATING FOREIGN FIRM WILL BE EXPECTED TO BEAR
THE MAJOR BURDEN OF FINANCING A FLEET OF 200 TON FISHING VESSELS,
WHICH MUST BE CONSTRUCTED IN ARGENTINA, IN ADDITION TO THE
CONSTRUCTION OF PROCESSING PLANTS, DOCKS AND OTHER SHORE INSTALLA-
TIONS IN THE AREA SOUTH OF THE 41ST PARALLEL. THE GOA WILL RESERVE
FOR ITSELF THE POSITIONS OF PRESIDENT, AUDITOR GENERAL AND A
CONTROLLING SHARE OF THE DIRECTORS OF THE COMPANY. THE
GOVERNMENT WILL NOT NECESSARILY PROVIDE A PROPORTIONATE SHARE
OF CAPITAL. PRIVATE ARGENTINE CAPITAL IS INVITED TO PARTICIPATE

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PAGE 02 BUENOS 07072 252236Z

AS WELL. THE COMPANY MUST EMPLOY AT LEAST 90 PERCENT ARGENTINE

PERSONNEL, INCLUDING FISHING CREWS. THE FOREIGN INVESTOR MUST BE ABLE TO COMMIT HIMSELF TO MARKETING THE ENTIRE CATCH OVERSEAS. TO THIS END THE GOVERNMENT OF THE INVESTOR'S COUNTRY OF ORIGIN MUST COMMIT ITSELF TO IMPORT THE COMPANY'S ENTIRE PRODUCTION. EXPORT PRICES WILL BE SET BY THE ARGENTINE MEAT BOARD. CONSTRUCTION MUST BEGIN NO LATER THAN 1 JAN 74 AND THE INVESTOR MUST COMMIT HIMSELF TO EXPORT 50,000 METRIC TONS ON AN ANNUAL BASIS BY 1975. EXPORTS MUST EQUAL 150,000 METRIC TONS ANNUALLY BY 1980.

3. COMMENTS. THE LOCAL PRESS REPORTS THAT FIVE INVESTORS FROM "SOCIALIST" COUNTRIES HAVE ALREADY EXPRESSED AN INTEREST IN THE ARGENTINE PROPOSAL. THE SOVIET UNION IS REPORTED TO BE INCLUDED IN THIS NUMBER. GIVEN THE SHORT PERIOD ALLOTTED FOR BIDS, THE DEADLINE ON COMMENCEMENT OF CONSTRUCTION AND THE REQUIREMENT THAT THE GOVERNMENT OF THE INVESTORS COMMIT ITSELF TO ABSORB THE ENTIRE PRODUCTION OF THE FIRM, IT SEEMS LIKELY THAT NO REAL CONTEST BETWEEN BIDDERS WAS EVER CONTEMPLATED OR INTENDED. IT SEEMS PROBABLE THE AWARD WILL GO TO ONE OF THE "SOCIALIST" BIDDERS.

4. ALTHOUGH THE GOA HAS GIVEN A GOOD DEAL OF PUBLICITY TO THIS SCHEME AND APPEARS DETERMINED TO PUSH IT THROUGH, THE LOCAL FISHING INDUSTRY HAS IN THE PAST OPPOSED FOREIGN PARTICIPATION IN THE INDUSTRY AND COULD CONCEIVABLY PUT OBSTACLES IN THE WAY OF THE PROJECT.

5. SEE AIRGRAM UNDER REFERENCE FOR DISCUSSION OF ARGENTINE FISHERIES INDUSTRY AND POTENTIAL. DECON 9/24/74.
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